

**LOUISIANA HOUSING CORPORATION**  
**NOTICE OF MAJOR DISASTER RELIEF**  
**FOR**  
**DISPLACED INDIVIDUALS**  
**AND**  
**PROJECTS SUBJECT TO LOW-INCOME REQUIREMENTS**

In the context of an event for which the President has declared a major disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq. (“**Major Disaster**”), the Internal Revenue Service (“**IRS**”) provides temporary relief pursuant to **Rev. Proc. 2014-49** and **Rev. Proc. 2014-50** (“**IRS Revenue Disaster Procedures**”) from certain requirements of Section 142(d) and Section 42 of the Internal Revenue Code (“**Code**”) for (i) issuers (“**Issuers**”) of tax-exempt, exempt facility bonds for a project under §142(d) and §103, (ii) the governmental housing credit agency (“**Agency**”) that has jurisdiction over the project subject to low-income requirements under §42, (iii) the owner (“**Owners**”) of a qualified residential rental project (“**TE Bond Project**”) that is financed with exempt facility bonds under §142(d), whether or not the project is also subject to the low-income housing credit (“**LIHTC Project**”) requirements under §42 and (iv) the person (“**Operator**”) to whom the Issuer or the Owner delegates responsibility for ensuring that the Project continues to meet the requirements applicable to TE Bond Projects.

As a result of the devastation caused by Hurricane Laura and related weather events throughout the State of Louisiana and the issuance of the President’s declaration of a Major Disaster, the Federal Emergency Management Agency (“**FEMA**”) has designated as of **August 30, 2020** the following parishes as disaster areas (“**Major Disaster Parishes**”) as set forth in **FEMA 4559-DR LA**:

Acadia, Allen, Beauregard, Calcasieu, Cameron, Jefferson Davis, Ouachita, Vermilion, Vernon, Rapides, Natchitoches, Sabine, Winn, Grant, Jackson, Morehouse, Union, Caddo, St Landry, LaSalle and Lincoln.

The IRS Revenue Disaster Procedures authorizes an Owner to choose provide emergency housing relief. If an Owner does not choose to provide emergency housing relief, then all the applicable rules of §42 and/or §142(d) continue to be applicable. Copies of the IRS Revenue Disaster Procedures are available on the Louisiana Housing Corporation (“**LHC**”) web site at [www.lhc.la.gov](http://www.lhc.la.gov). This Notice only provides a summary of the relief and procedures for obtaining relief from the requirements of §42 and §142(d).

**OWNERS AND OPERATORS MUST REVIEW THE IRS REVENUE DISASTER PROCEDURES IN THEIR ENTIRETY FOR A COMPLETE DESCRIPTION OF THE RELIEF AVAILABLE IN THE AFTERMATH OF A MAJOR DISASTER.**

The IRS Revenue Disaster Procedures include the following types of relief for Displaced Individuals and Owners of LIHTC Projects and TE Bond Projects, as applicable:

1. Subject to the Owner receiving written approval from the Agency for use of a Project to house displaced individuals and the period beginning on the first day of the Major Disaster as determined by FEMA and ending on date determined by the Agency (“**Temporary Housing Period**”), a suspension of certain requirements with respect to units rented in a LIHTC Project or a TS Bond Project to an individual (“**Displaced Individual**”) who is displaced from his or her principal residence as a result of a Major Disaster and whose principal residence was located in a Major Disaster Area designated as eligible for Individual Assistance by **FEMA**;
2. If an Owner cannot reasonably satisfy the deadlines of §42(h)(1)(E) because of the Major Disaster following a carryover allocation for a building in a LIHTC Project located in a Major Disaster Parish, temporary relief from satisfying the 10-percent basis requirement of §42(h)(1)(E)(ii) for a building (land and depreciable basis) but only following approval by the Agency of an extension not beyond six months after the date the Owner would otherwise be required to meet the 10-percent requirement for such building;
3. If an Owner cannot reasonably satisfy the deadlines of §42(h)(1)(E) because of the Major Disaster, temporary relief from satisfying the placed in service requirement of §42(h)(1)(E)(i) but only following approval by the Agency of an extension not beyond one year following the end of the two-year period described in §42(h)(1)(E)(i).
4. Subject to the Agency determining a reasonable restoration period, provides recapture relief if a building’s qualified basis is reduced by a casualty loss caused by a Major Disaster by clarifying the consequences if an Owner fails to restore a building severely damaged, destroyed or uninhabitable as a result of a Major Disaster within the reasonable restoration period established by the Agency not to exceed the end of the 25<sup>th</sup> month following the close of the month of the Major Disaster declaration;
5. For buildings during the first year of the credit period that are severely damaged or destroyed in a Major Disaster Area, or uninhabitable as a result of a Major Disaster, permits the Agency to treat the allocation as a returned credit to the Agency in accordance with the requirements of § 1.42-14(d)(3), or to toll the beginning of the first year of the credit period under § 42(f)(1).

6. Start of the Qualified Project Period: Displaced Individual during the Temporary Housing Period does not count for determining the beginning of the qualified project period under § 142(d)(2)(A). Thus, this occupancy is not used to determine the first day on which 10 percent of the residential units in a Project are occupied for purposes of § 142(d)(2)(A).

7. End of the Qualified Project Period: Occupancy of a unit in a Project by any tenant (whether a Displaced Individual or someone who is not a Displaced Individual) counts for purposes of determining the end of the qualified project period under §142(d) (2)(A)(i). However, solely for purposes of §142(d)(2)(A)(iii), the Project is treated as continuing to receive assistance under section 8 of the United States Housing Act of 1937 until the end of the Temporary Housing Period plus 180 days.

8. For a Displaced Individual occupying a unit in a Project only certain information in a statement signed by the Displaced Individual under penalties of perjury, including

- 1) The name of the Displaced Individual;
- 2) The address of the principal residence at the time of the Major Disaster of the Displaced Individual;
- 3) The Displaced Individual's Social Security Number; and
- 4) A statement that he or she was displaced from his or her principal residence as a result of a Major Disaster and that his or her principal residence was located in a city, county, or other local jurisdiction that is covered by the President's declaration of a Major Disaster and that is designated as eligible for Individual Assistance by FEMA because of the Major Disaster.

LOUISIANA HOUSING CORPORATION, AS ISSUER AND AGENCY, HAS DETERMINED THAT THE PERIOD FOR TEMPORARY HOUSING FOR DISPLACED INDIVIDUALS FROM THE MAJOR DISASTER PARISHES SHALL EXTEND TO **AUGUST 28, 2021**.

**Requirements For Displaced Individuals Occupying Units in Projects**

- An Owner must obtain approval from LHC in order to waive the income and prohibition of transient housing requirements when renting to Displaced Individuals
- The Displaced Individual must have resided in one of the parishes declared as a Major Disaster Area and designated for Individual Assistance by FEMA in FEMA 4559-DR LA.
- The Displaced Individual shall provide a signed statement that the household requires temporary housing because of damage to their home in parish declared as a Major Disaster Area and designated for Individual Assistance by FEMA in FEMA 4559-DR LA. This statement should be obtained by the owner using the Temporary Housing Affidavit form available from the LHC.

- Rent for low-income units used to house Displaced Individuals must not exceed the existing rent-restricted rates for such low-income units established under Internal Revenue Code Section 42(g)(2) for low-income units in LIHTC Projects.
- Existing tenants in occupied low-income units cannot be evicted or have their tenancy terminated as a result of efforts to provide temporary housing for Displaced Individuals.

### **Recordkeeping by Owners for Displaced individuals**

Owners choosing to provide emergency housing relief to Displaced Individuals must maintain a record both of the Agency's approval of the Project's use for Displaced Individuals and of the approved Temporary Housing Period. The Owner must report to the Agency at the end of the Temporary Housing Period a list of the names of the Displaced Individuals and the dates the Displaced Individuals began occupancy. The Owner must also provide any dates Displaced Individuals ceased occupancy and, if applicable, the date each unit occupied by a Displaced Individual becomes occupied by a subsequent tenant. The Owner must maintain the records described in this section as part of the annual compliance monitoring process with the Agency imposed by § 42 and provide this information to the Agency upon request.

### **Requests To Provide Emergency Housing Relief To Displaced Individuals**

All requests to provide emergency housing relief to Displaced Individuals should be submitted to LHC via email to [Compliance@lhc.la.gov](mailto:Compliance@lhc.la.gov).

LHC expects to process all requests within 24 hours of receipt. Once approval is received, the owner may begin leasing LIHTC units to displaced households without regard to income or transient status.

Applicable LHC forms are available on the LHC web site at [www.lhc.la.gov](http://www.lhc.la.gov).